



View of the Olympics from North Mountain

THE CONNECTOR SUMMER 2026

GENERAL MANAGER'S REPORT

We are already at the halfway point of 2026, and your PUD has been busy tackling the numerous projects on our annual strategic work plan, as well as executing the larger projects funded by our grants this year.

The most exciting news is the completion of our Manzanita Campus in Union and the beginning of our Jorstad Substation in Lilliwaup. The Manzanita Substation was brought online last fall, and the water reservoir project was wrapped up this spring. Both of these projects were huge milestones for the PUD 1 team and I am immensely proud of them for the years of planning and work that went into both of those infrastructure projects. We were able to realize the benefits of the Manzanita Substation when we used it to pick up all of the load off of the t3ba'das Substation in Potlatch so we could take T3 offline for maintenance without causing a power outage for those customers in that area.

Our team has now shifted our focus to the next substation project in Lilliwaup. Jorstad Substation will be constructed off USFS Road 24 just beyond Jorstad Creek Road.

This year's projects include constructing the exit feeders to connect the future sub to the distribution lines on U.S. Highway 101. This contract was awarded and construction begins in July, completing in September. We are also working simultaneously to complete all of the engineering, design and permitting for the station construction. The PUD received a \$3 million grid resilience program grant through the Washington State Department of Commerce to complete this initial phase and we received notice of a second \$3 million Commerce grant to move the civil construction phase forward, along with a \$1.14 million federal appropriation and a \$103,000 state budget appropriation to support this work. The PUD has also applied to two additional grant programs to fund the rest of the station construction to bring it online. Our goal is to begin construction in 2027 and have the substation online in 2028, contingent on funding contracts. This middle-mile substation will eventually enable us to pick up load from Brinnon to Hoodspport, when necessary, and take those two neighboring subs offline for maintenance as well.

Another grid resilience project we are undertaking this year supports PUD 1's wildfire mitigation plan. We received \$965,639 in FEMA funding to trim back vegetation along the 3-Phase power lines and remove approximately 50 danger trees throughout our system. This contract was awarded in June, and work will begin in October and continue into early 2027.

As of the date of this newsletter, we have surpassed \$36 million in grants, and over \$5 million in low-interest public financing (<1.75%) to accomplish the work on our capital improvement plans. We continue to pursue grant funds to accomplish this important work without impacting utility rates. We will keep you posted as more projects kick off!



Kristin Masteller
General Manager

Katie Arnold Recognized for Outstanding Public Service

PUD 1's Katie Arnold was presented with the prestigious WPUDA William T. Elmgren Public Service Award in recognition of her exceptional service to the Mason County community. In their nomination letter, the PUD 1 Board of Commissioners wrote, "Katie's professional and technical ability is exceptional, but it is her commitment to improving the social and economic well-being of Mason County residents through her extensive community service that truly sets her apart."

Katie's dedication to community service includes work with the Mason Health Foundation, Karen Hilburn Cancer Fund, KristmasTown Kiwanis, Mason County Day of Champions, Shelton High School Football Boosters, and the Christmas Angel Tree program for Crossroads Housing. She is also a founding member of the IMPACT Mason County 100 Women Who Care initiative, helping drive meaningful local philanthropy.



Left to Right: PUD 1 Commissioners Mike Sheetz & Ron Gold, Katie Arnold, Kristin Masteller, and Commissioner Jack Janda

Mason County PUD No. 1 is a member of the Hood Canal Coordinating Council (HCCC). What the HCCC does is they are involved in salmon recovery in the Hood Canal, and they are made up of Jefferson, Kitsap, and Mason Counties as well as the Port Gamble S'Klallam and Skokomish Tribes. They have two groups of citizens and experts from various agencies. The first group is the Tech Advisory Committee (TAG) which has members from U.S. Forest Service, WA Fish & Wildlife, Hood Canal Salmon Enhancement Group and more.

Mason PUD 1 participates in the second group- the Citizen Advisory Group (CAG). Both groups weigh in on proposed projects. The TAG rates the projects, and the CAG reviews the list and visits the sites and ranks each proposed project.

This year, there were eight projects and funding was secured for six of the eight. They are still seeking funding for the last two. In PUD 1's service area the first project is the Brinnon Floodplain Acquisition and the second is the Eagle Creek Estuary Protection design project. The third is the Skokomish River Mile 5 Road Removal and East Bourgault Rd., and fourth is the Union River Assessment Strategic Planning. Neighboring projects outside of PUD 1 territory include the West Dabob Acquisition Restoration Plan (#5), the Tahuya RM5-7 Acquisition Planning (#6), the Vance Creek Habitat Enhancement RMZ (#7), and the Chimacum Creek Estuary Acquisition (#8).

I have served as the PUD's representative on the CAG for several years because Mason PUD 1 has a responsibility to be

good stewards in protecting our beautiful environment. Restoring salmon back to Hood Canal and other areas is very important to our healthy fish populations. We support the efforts of all the different parties that work together to achieve this goal. We also believe we get much more done if we work together and collaborate.



Ron Gold, Commissioner, District 2

PUD 1 Launches New Energy Equity Rebate Program (EERP)



ENERGY EQUITY REBATE PROGRAM MASON COUNTY PUD 1

The PUD recently received a \$287,500 grant from Washington State Department of Commerce's Home Electrification and Appliance Rebate (HEAR) program, which provides rebates and incentives for low and moderate income households to adopt high-efficiency electric appliances and heating and cooling systems, including any necessary electric upgrades to install them.

In 2025, the PUD administered a similar grant program from Bonneville Power Administration and we received more interest than the funding could support. This HEAR grant will allow us to renew the program and expand it to moderate income households.

Get Pre-Qualified.

Submit your application and supporting documentation to prove household income. PUD staff will verify your information, site location, and appliance type to ensure all aspects meet program requirements.

Choose a Pre-certified Contractor.

Use Commerce's contractor database to choose a local contractor who has been pre-certified to perform work under this grant program. Contractors will do an audit of your house to see if any panel upgrades are necessary, help you choose the equipment to install and then enter into an agreement with you to perform the work. The Contractor will submit invoices directly to the PUD. You do not have pre-pay for the equipment or labor if you have a PUD 1 prequalification letter.

Enjoy Your New Appliance & Provide Feedback.

The PUD will send you a post-installation survey to solicit feedback on how the process went to help us make any necessary adjustments to the program.

EERP ends June 30, 2027, and rebates are on a first come, first served basis until funding is exhausted. 40% of funds are reserved for customers with 80% or less Area Median Income (AMI). If you are interested, please visit the website or call Cassandra, PUD 1's Conservation Specialist, at (360) 877-5249.

Are you eligible for EERP?

The chart shows which household incomes qualify for the program. If you believe you qualify, go to the PUD website at www.mason-pud1.org/HEAR for the application or call the PUD office for a copy.

INCOME CHART	Mason County	Jefferson County
Household Size	150% AMI	150% AMI
1 Person	\$105,250	\$104,200
2 Person	\$120,250	\$118,000
3 Person	\$135,300	\$132,750
4 Person	\$150,300	\$147,450
5 Person	\$162,350	\$159,250
6 Person	\$174,350	\$171,050
7 Person	\$186,400	\$182,850
8 Person	\$198,400	\$194,650

PUD 1 CELEBRATES NEW Manzanita Utility Campus

Alongside customers, community partners, and state and federal representatives, Mason County PUD No. 1 celebrated the completion of its new Manzanita Campus in Union. The utility campus is home to the PUD's new Manzanita Substation, energized in October 2025, and the Manzanita Water Storage Project, which wrapped up this spring.

Kristin Masteller recognized utility staff for their dedication and perseverance in completing two major infrastructure projects back-to-back.

"These projects were not easy to get across the finish line, but you all worked together to get them done for our customers," Masteller said. "When you look at our mapping system, you can see the different eras of infrastructure buildout over the last 90 years as communities grew along the Hood Canal, as well as periods of reinvestment into our power and water systems. You can also see decades where little investment occurred because leadership was trying to keep rates affordable for a small customer base. I want future generations of PUD 1 to look back on our era and say, 'Wow, that team built a lot of infrastructure' and the best part is that, thanks to our partners, many of whom are here today, we have been able

to build most of it with grant funds and a small amount of low-interest financing, securing more than \$40 million total to date." Masteller also recognized PUD 1's Engineering Manager Jeremiah Waugh and Water Resource Manager Brandy Milroy for their leadership on the respective projects before inviting them to perform the ceremonial ribbon cutting.

The Manzanita Campus project began in 2015 and was developed incrementally over the last decade. The site now includes a 20 MVA electric distribution substation serving the Union area and providing backup power to Skokomish Valley and Potlatch. The campus also hosts more than 200,000 gallons of water storage capacity for both the Union Regional Water System and Mason County Fire District 6 for fire suppression purposes. Together, the new utility infrastructure will support the Union area's power and water needs for decades to come. The water storage project was financed through the Washington State Public Works Assistance Account, utilizing an 85% low-interest loan and 15% grant funding package. Representatives from the Public Works Board were in attendance and recognized for their partnership on the project.



PUD 1 team and community partners cut ribbon on Manzanita Campus.



Join Us!

FRIDAY, SEPT. 25TH

11 a.m. to 2 p.m.

21971 N. HWY 101
IN POTLATCH

Celebrating Public Power Week at our drive-thru event!



PUBLIC POWER WEEK

Powering Strong Communities

Upcoming Electric System Construction on U.S. 101 in Lilliwaup and Eldon

The PUD has two major rebuild projects scheduled for the second half of this year. The first is an underground line rebuild just south of Lilliwaup Corner. WSDOT is undertaking a fish culvert replacement project and requires the PUD to relocate our utilities in that area. Our contractor will begin in July or August, replacing approximately 1,500 feet of aging underground cable from Robinson Road to the Lilliwaup Post Office and will be completed by the end of October. This will cause alternating traffic in this area during construction, so please plan accordingly if you commute through this area. 2026's work is the first phase of this utility relocation project. The next phase involves relocating the overhead power lines off of Lilliwaup Corner on the old bridge and hairpin turn and boring them safely underground. This work is slated for 2027. Both phases of this project are funded by a \$1.8 million state capital budget grant.

The second major rebuild project will occur in late 2026. This line rebuild project continues our pole replacements between Eldon and Duckabush Rd. It also includes replacing that section of line with heavier gauge tree wire to protect against limbs and debris in one of our most troublesome outage areas. This project is funded by a FEMA hazard mitigation grant and will be put out to bid in late summer for construction toward the end of the year. This will pay to replace several undersized and aging poles that were not replaced in



previous grant projects, replace the several miles of overhead line that has numerous splices and repair points on it, and trim the tree canopy above the new taller poles, creating a stronger, more resilient overhead distribution line.

In addition to these projects, the electric crew is completing smaller line rebuilds covered under our FEMA grant as well as a capital project to replace a large section of the 1971 direct burial cable on Enchantment Heights this year. They also are trimming "hot spots" on the lines where vegetation has grown

quickly since the last trim cycle.

We will send letters out to impacted residents as construction begins in your area next to your homes or businesses. Please contact us if you have any questions.



Jeremiah Waugh, PE
Engineering Manager

EARN TEN BUCKS BY GOING PAPERLESS!

Customers who sign up through e-pay by September 30th to receive their statements via email instead of in paper format will receive a \$10 credit on their October billing statement. You must stay paperless for one year to keep the credit to your account. Existing paperless customers will also receive the \$10 credit.



THE BOARD OF COMMISSIONERS regularly meet the 2nd and 4th Tuesday of each month at 1:00 p.m. Meetings are held in the PUD 1 board room in Potlatch. Board packets are posted on the home page of the PUD website at www.mason-pud1.org. For more information on meetings, please visit mason-pud1.org or call the PUD office.

MASON COUNTY PUD 1 COMMISSIONERS:

District 1

Mike Sheetz (360) 898-7934

District 2

Ron Gold (360) 490-1560

District 3

Jack Janda (360) 490-1800

General Manager

Kristin Masteller (360) 877-5249



www.mason-pud1.org

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